

November 14, 2012

**ITEM NO. E5**

**REQUEST FOR AUTHORIZATION TO EXECUTE THE 2<sup>nd</sup> OF TWO ONE-YEAR OPTIONS ON A LAND LEASE AGREEMENT BETWEEN THE CHA AND SINAI HEALTH SYSTEM FOR THE 2600 AND 2700 BLOCK OF OGDEN AVENUE AND THE 2600 BLOCK OF 13<sup>th</sup> PLACE.**

To the Honorable Board of Commissioners:

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the Chief Executive Officer to execute the 2<sup>nd</sup> of two one-year options on a land lease agreement with Sinai Health System. The Lease is for CHA's vacant Lawndale Complex and Ogden Courts property sites located at the 2600 and the 2700 block of Ogden Avenue and 2600 block of 13<sup>th</sup> Place. The original lease executed November 24, 2008 has a three (3) year term with a renewal term of 2 one year options. The renewal request is for the 2<sup>nd</sup> of the two one-year options.

The Interim Executive Vice President of the Office of Development Management and the Office of the General Counsel have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

**CORPORATE GOAL**

The purpose of this item is to activate CHA vacant land to improve the local community.

**GENERAL BACKGROUND**

The former Lawndale Complex residential development located on the 2600 block of 13<sup>th</sup> Place contained 187 public housing units and was demolished on May 23, 2001. The adjacent 136 unit Project-Based-Section 8 development known as Ogden Courts (a city/state development) located on the 2600 and the 2700 block of Ogden Avenue was demolished on May 30, 2006. Both developments are now vacant land. Sinai Health System ("Sinai") proposed and entered into a lease to build and maintain a Sinai staff parking lot on approximately 75% of the Lawndale Complex/Ogden Courts site ("Site"). The purpose of constructing the parking lot was to reduce the traffic and parking congestion in the community. Adjacent to the leased parking lot site on land formerly owned by the City of Chicago and a portion of the Lawndale Complex site is Park Douglas, a 137 unit mixed income development (including 60 Public Housing Units) which was delivered and fully occupied 1st quarter 2012. Sinai constructed a portion of their parking lot on the 2600 block of Ogden Avenue and plans to build out the remaining portion of the parking lot on the newly constructed West 13th Street. The remaining portion of the Lawndale Complex and the 2700 block of Ogden are part of a CHA/SINAI land exchange and the properties will remain vacant until such time as Sinai commences construction of their new hospital facility.

The purpose of this lease is to improve the quality of life for public housing residents, Sinai staff and visitors, and residents residing in the area surrounding the site. The site is being leased at less than fair market value; however, there is an additional commensurate benefit to the Park Douglas community due to the fact that Sinai provides family support and medical services, training and employment opportunities for CHA residents. Jobs were generated for the construction of the parking lot, the operation of the parking lot and for hospital support duties.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) laws.

The Interim Executive Vice President concurs with the recommendation to execute the 2<sup>nd</sup> of two one year options on a land lease agreement between the CHA and Sinai Health System

The CEO/President recommends the approval of the second of two one-year options on a land lease agreement with Sinai Health System on CHA's vacant Lawndale Complex and Ogden Courts property sites located at the 2600 and the 2700 block of Ogden Avenue and 2600 block of 13<sup>th</sup> Place.

**RESOLUTION NO. 2012-CHA-98**

**WHEREAS,** the Board of Commissioners has reviewed Board Letter dated November 14, 2012, requesting authorization to execute the second of two one-year options on a land lease agreement with Sinai Health System on CHA's vacant Lawndale Complex and Ogden Courts property sites located at the 2600 and the 2700 block of Ogden Avenue and 2600 block of 13<sup>th</sup> Place.

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT** the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute the 2<sup>nd</sup> of two one-year options on a land lease agreement with Sinai Health System on CHA's vacant Lawndale Complex and Ogden Courts property sites located at the 2600 and the 2700 block of Ogden Avenue and 2600 block of 13<sup>th</sup> Place.

